

DATE: May 22, 2003

MEMORANDUM FOR DISTRIBUTION

FROM: /s/ Joseph R. Brimacombe
Joseph R. Brimacombe
Deputy Director, Compliance Policy

SUBJECT: Disaster Assistance for the State of Illinois
(FEMA-1469-DR)

On May 15, 2003, the President declared 12 counties in the State of Illinois eligible for Individual Assistance under the Robert T. Stafford Disaster Relief and Emergency Assistance Act ("Presidential Disaster Area"). The declarations cover damages from severe storms, tornadoes and flooding that occurred on May 6-11, 2003. The storms caused property damage and destruction, posing hardships to some taxpayers located in these counties. If the President declares additional counties eligible for Individual Assistance, these provisions will also apply to them.

For purposes of the following filing and payment relief, "affected taxpayers" include taxpayers whose principal residence or principal place of business is located in the Presidential Disaster Area, taxpayers whose tax records are located in the Presidential Disaster Area, and relief workers.

Relief Provisions Which Apply to All Taxpayers in the Presidential Disaster Area -
(Designated Disaster Areas)

- Notice 1155 should be included as a stuffer for all correspondence addressed to any taxpayers in the IRS Designated Disaster Areas beginning May 19, 2003, and ending July 25, 2003 (see list of counties attached). The zip code listing will be posted to the IRWeb at <http://www.tris.irs.gov/fema/index.html>.
- In general, field enforcement activities are not being suspended automatically. However, any enforcement-related written or telephone contact made with taxpayers in the Presidential Disaster Area from any of the IRS Operating Divisions should begin with an assessment of the impact of the storm(s) on the taxpayer and should provide an opportunity to defer action for a reasonable period of time. For those returns included in the National Research Program (NRP), an NRP examiner will first assess the affected taxpayer's situation. The examiner may then request an exclusion of the taxpayer's return from the program. The NRP Office will make a final determination. Please see the Law Enforcement Manual, Section 4.22.4, for more information on exclusions.

- User fees should be waived for requests of photocopies of tax returns and all requests from taxpayers in the impacted areas should be expedited. These requests, when filed, should be labeled across the top margin in red, "May Storms/Tornadoes-IL."

Relief Provisions Which Apply to Only Those Taxpayers in the Presidential Disaster Area Who Self-Identify

- Affected taxpayers that have an original return (including income, estate, gift, generation-skipping transfer, employment and certain excise tax returns) due date that falls between May 6, 2003, and July 25, 2003, are granted an extension of time to file until July 25, 2003, under IRC section 6081.
- Affected taxpayers that have an extended return due date that falls between May 6, 2003, and July 25, 2003, are granted an extension of time to file until July 25, 2003, under IRC section 7508A.
- Affected taxpayers that have a payment of tax due between May 6, 2003 and July 25, 2003 are granted an extension of time to pay until July 25, 2003, under IRC section 6161.
- Affected taxpayers that need to perform time-sensitive actions described in Treasury Regulation § 301.7508A-1(c)(1) and Revenue Procedure 2002-71, 2002-46 IRB 850, that fall between May 6, 2003 and July 25, 2003, are granted additional time to act until July 25, 2003.
- For affected taxpayers who have self-identified in order to receive filing and/or payment extensions (as described in the preceding bullets) the failure to file and pay penalties and interest will be abated for the period beginning May 6, 2003, or the original due date, if later, and ending July 25, 2003. These returns, when filed, should be labeled across the top margin in red, "May Storms/Tornadoes-IL."
- The filing relief listed above also applies to Form 5500 series returns (that were required to be filed between May 6, 2003 and July 25 2003) in the manner described in section 8 of Revenue Procedure 2002-71, 2002-46 IRB 850. Unlike the other returns described above, the Form 5500 should NOT be labeled to indicate this relief. Instead, affected taxpayers should check Box D in Part 1 and attach a statement in accordance with the instructions to the form.

This extension to file and pay does not apply to information returns (other than Form 5500 series), or employment and excise tax deposits; however, penalties on payroll tax deposits may be abated during this period due to reasonable cause.

The State Disaster Assistance Coordinator may direct personnel from all operating divisions to conduct disaster assistance activities including staffing any Disaster Recovery Centers.

If you have any questions or comments, you may contact Carol Polley, National Disaster Assistance Program Manager, at (202) 622-3788.

Attachment

Distribution

Operating Division/Functional Division Disaster Assistance Program Coordinators
(SB/SE, W&I, MITS, LMSB, TEGE, CI, TAS, C&L)
National Disaster Assistance Program Manager

Attachment

<u>State</u>	<u>County</u>
IL	Adams
IL	Alexander
IL	Brown
IL	Fulton
IL	Hancock
IL	Mason
IL	Massac
IL	Pope
IL	Pulaski
IL	Schuyler
IL	Tazewell
IL	Woodford